



# WORKSHOP ON STRATEGIC ENERGY SECTOR POLICIES IN NEPAL

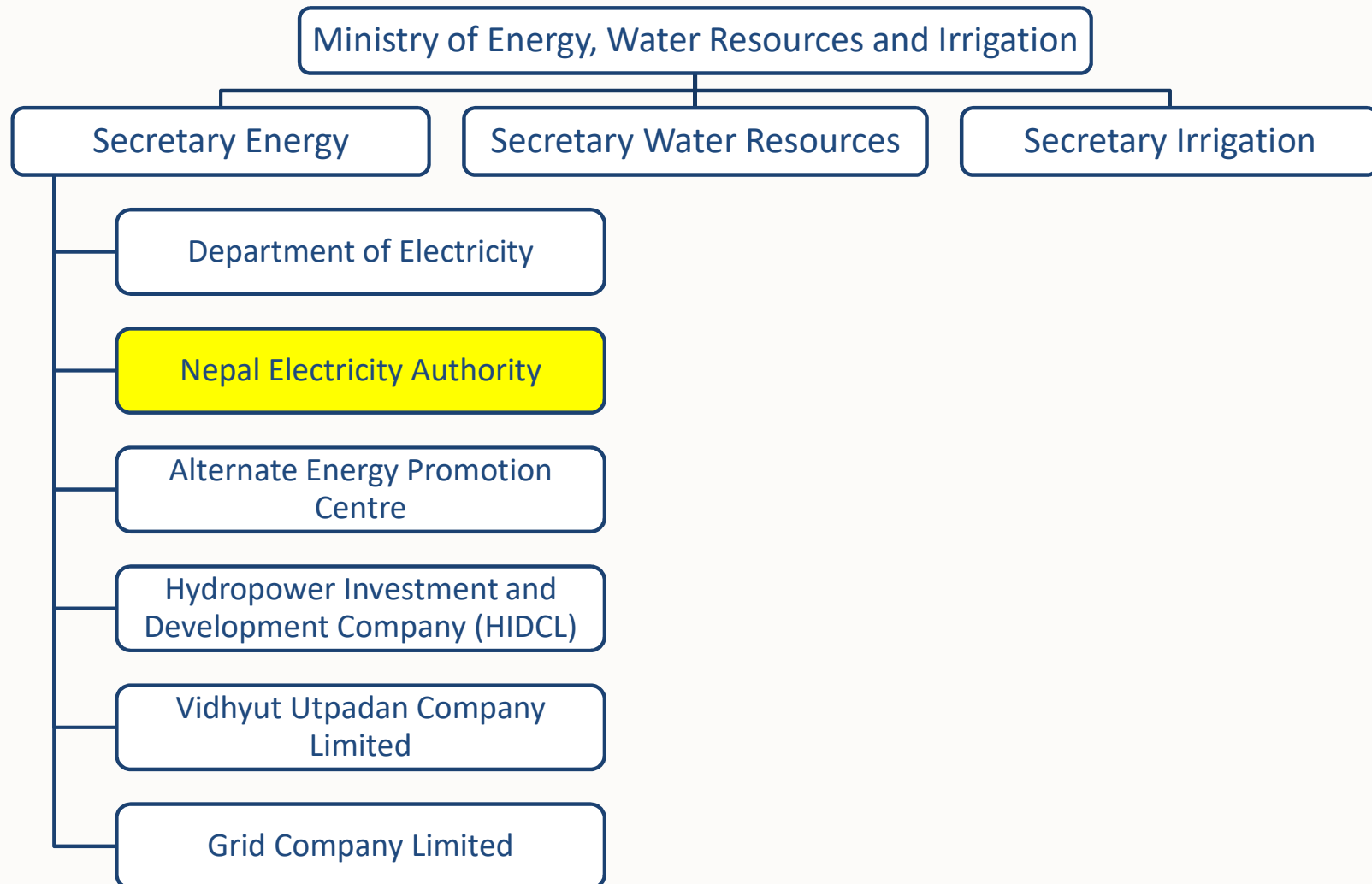
## DEVELOPING A POWER MARKET IN FEDERAL NEPAL

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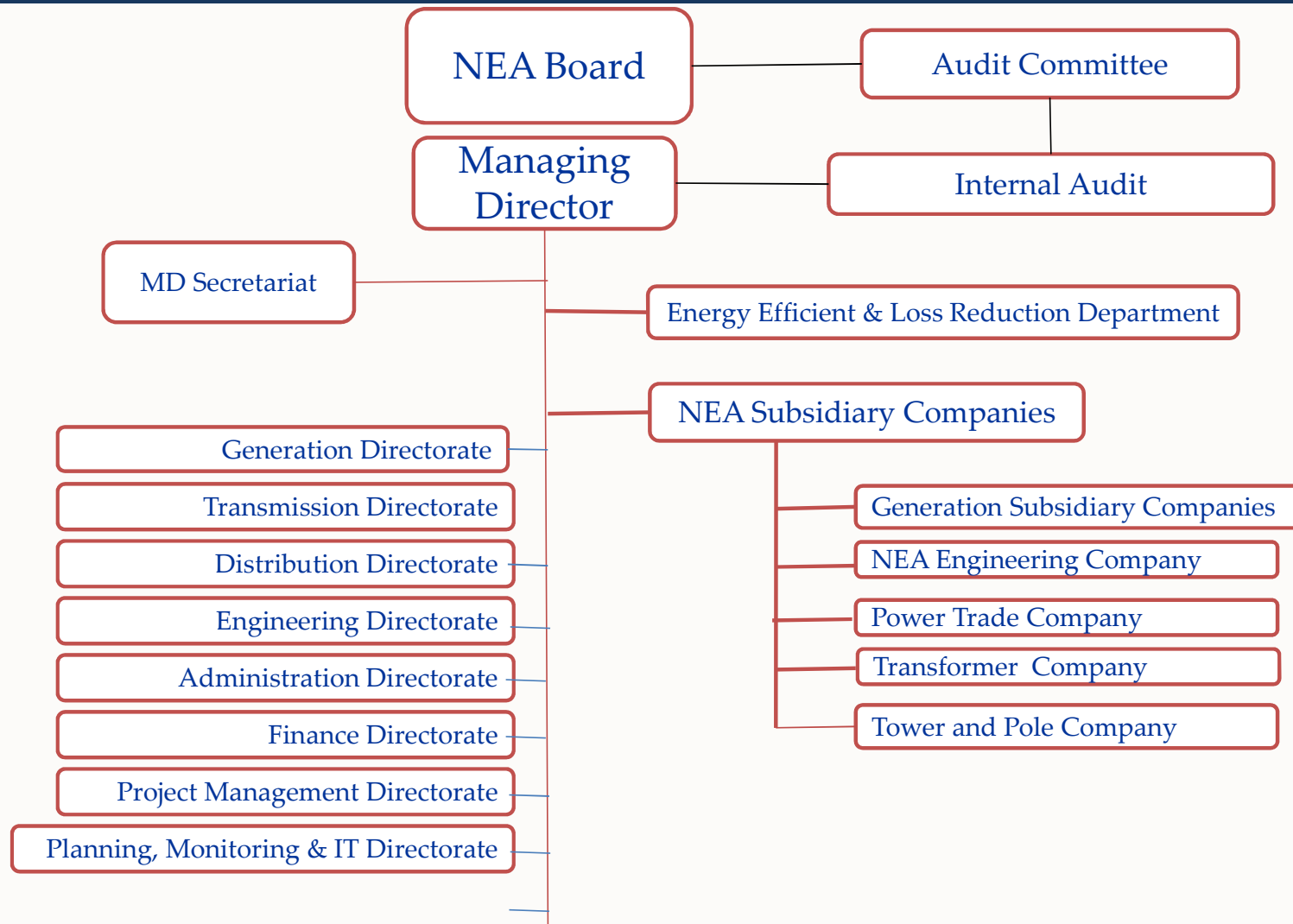
*November 2018*



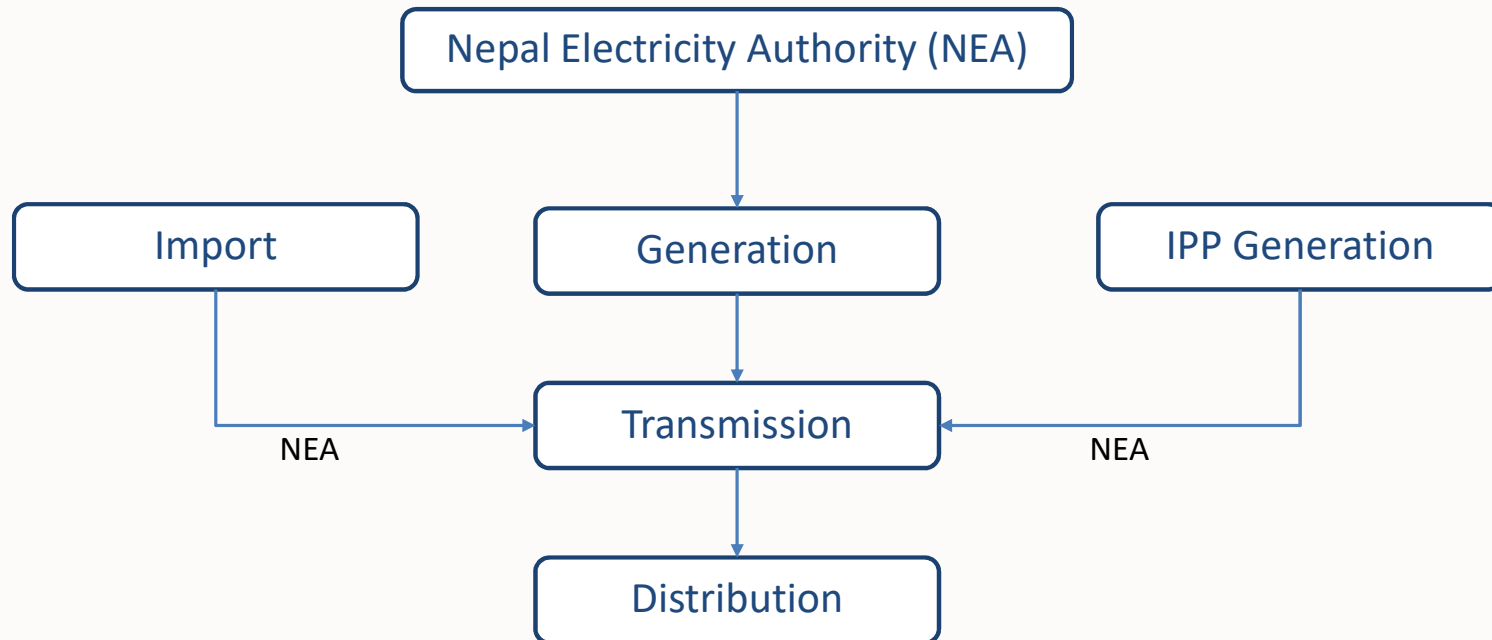
# ENERGY SECTOR STRUCTURE OF MINISTRY



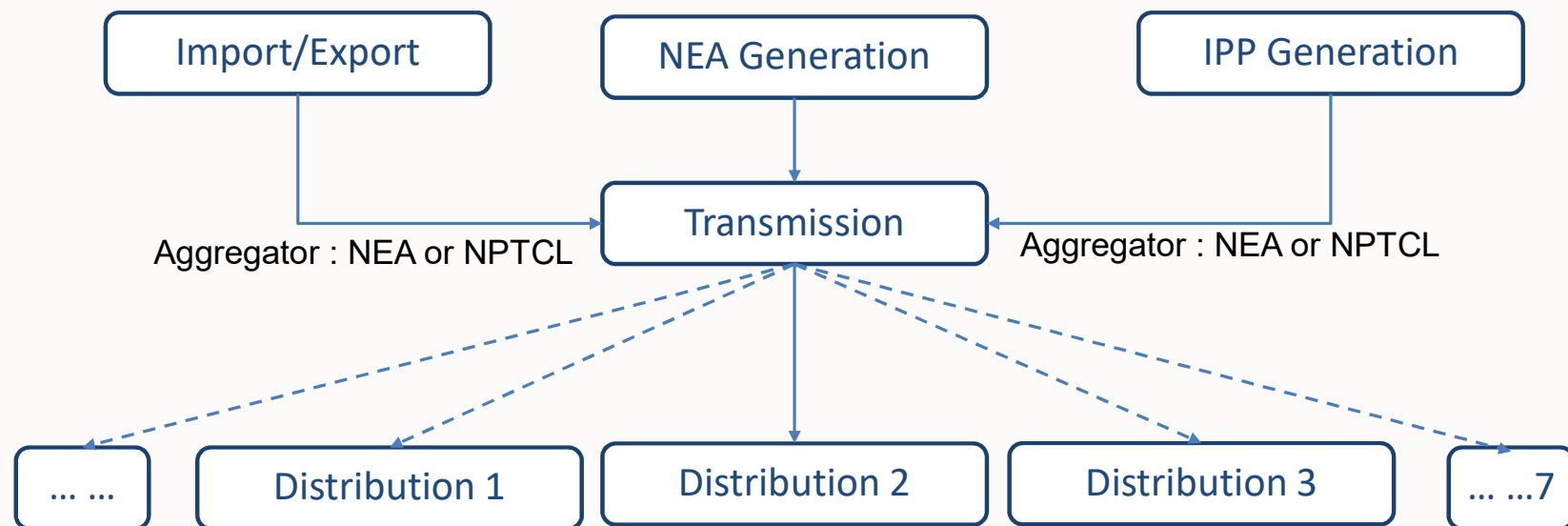
# PRESENT ORGANIZATION STRUCTURE, NEA



# Present Electricity Market Structure



# Future Electricity Market Structure in Federal Nepal



## Are we ready ?

- Regulation
  - ERC act in place, Members are in the process of selection
- Restructuring
  - NEA Generation business through subsidiary Companies
  - Transmission Company is established and started its business
  - NEA Board has approved to establish province-wise 7 Discoms
- Private Sector Participation
  - Many IPPs in Generations
- Competition
  - At present fixed priced PPA, planning to have competition among IPPs



## Are we ready ?

- Infrastructure
  - Transmission up-gradation to 400 kV, Cross border T/L
  - LDC Up-gradation and Expansion to regional level
  - Distribution System Reinforcement, Up-gradation and Expansion
- System Efficiency
  - Smart Metering and billing
  - Loss Reduction Plan
  - ERP system Implementation
  - Business unit-wise Asset Evaluation of NEA

## Challenges Ahead

- Transmission and Distribution Infrastructure
- Financial viability of Distribution Companies
  - Regulated consumer tariff
  - Operational Efficiency
- Effectiveness of Regulatory Commission
- Effectiveness of Power Trading Company
- Reluctance of Employees in Restructuring



THANK YOU



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# Nepal Electricity Authority (NEA)

